



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

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REGULATOR ANNOUNCES DECISION ON INTRODUCTION OF LOCAL LOOP UNBUNDLING (LLU)

Decision provides for rapid introduction of bitstream access and provides the groundwork for investigation of full physical LLU and line sharing LLU

The Telecommunications Regulator, Etain Doyle, today (April 19th 2000) issued her decision on the introduction of Local Loop Unbundling (LLU) in Ireland. She also announced a framework to facilitate the introduction of LLU in Ireland by April 2001, and the convening of two working groups to ensure that deadline is met.

“This is a tight timescale ” according to the Regulator “but I believe industry in Ireland which has a reputation for rising to challenges will meet this challenge too. Ireland needs to keep up the competitive momentum in its telecommunications market. The roll out of LLU is an important element of that – as was recognised by the European Council in Lisbon recently.”

Unbundling the local loop allows other telecom companies and service providers access the *eircom* local network and provide services directly to customers. It is particularly relevant to the provision of broadband services. It can be used as a means of delivering added choice to consumers, encouraging growth of the telecommunications market, complementing alternative access infrastructure and providing delivery of new services. In short, it enhances competition and helps deliver the best in price, quality and choice to consumers.

There are a number of different ways that competitors can access *eircom*’s “local loop” – also known as the “last mile” to the home or business. These range from full physical access, where a competitor takes over the copper line, to bitstream access where the competitor has access to a managed bitstream over the copper and can put advanced services over that bitstream.

This raises some difficulties because Irish companies who are interested in LLU generally favour the full physical access option, but the current EU framework does not enable the Regulator to mandate this particular form of access at this time. The EU Commission has highlighted a third form of access known as “line sharing”, but this option is relatively new to European markets.

“The framework I am announcing today moves forward aggressively on the option of bitstream access, but also starts the preliminary groundwork for the other options – both full physical access and line sharing. This will allow all players to make key commercial decisions about the type of access they need, when they need it and will allow Ireland to move to implementation stage on any option very quickly” according to the Regulator.

She continued “I believe that the practical approach we are adopting, with two working groups, is an effective way of ensuring that we come up with workable solutions for a complex issue. One group will address operational issues while the second will deal with access to shared facilities. The key to making this work is the participation and active input of all parties. I would like to thank the industry for their work so far and call on them to work with my Office to see the introduction of LLU in Ireland before April 2001”.

ODTR 00/30 "Report on the ODTR consultation on local loop unbundling - Decision Notice D06/00" can be viewed on the ODTR web-site (<http://www.odtr.ie>).

ENDS

Note to Editors:

The local loop refers to the physical circuit between the customer's premises and the telecommunications operator's local switch. Traditionally it takes the form of a pair of copper wires per normal telephone line.

Local loop unbundling (LLU) is an access service provided between the customer premises and the line side of the access provider's (in the Irish case, eircom's) local switch. It gives the access seeker access to the 'last mile' (the local loop from the point of interconnect to the customer's premises). LLU is attractive to the new entrant because it replaces a large up-front investment cost with a rental cost and provides a relatively low cost and quick means of obtaining access to customers.

Many EU countries (Austria, Netherlands, Denmark, Sweden, Germany and Finland) as well as the USA have introduced or are in the process of introducing LLU.

There are three means of access to the local loop:

(1) **Physical access: (full unbundled access to the copper pair)**

The access seeker has direct access to the transmission medium and can decide how to use it within its physical limits. The link between the main distribution frame (MDF) and the local switching equipment on the access provider's premises is re-configured to become a link to the new entrant's switch, and the new entrant takes over the operation of the local loop. This is not supported by the current EU framework.

(2) **Shared use of the copper line (Unbundled access to the high frequency spectrum of the local loop for the competitive provision of ADSL systems and services by third parties)**

The access provider continues to provide telephony services over a copper pair while an access seeker delivers broadband services using higher frequencies on the same pair. A device known as a 'splitter' separates the two types of traffic. The local loop remains a part of the access provider's network. This is relatively new to European markets.

(3) **High speed bit stream access (Provision of xDSL services by access provider)**

The bitstream offered by the access provider is defined and the access seekers can only use this bitstream. They are not allowed to add other equipment to implement alternative bitstreams. The access provider handles all the physical management of the medium. In other words, the access provider installs a high speed access link to the customers premises (e.g., by installing its preferred ADSL equipment and configuration in its local access network) and then makes this access link available to third parties, to enable them to provide high speed services to customers.

Decision Notice 06/00 provides for the rapid introduction of bitstream access (as provided for in the EU framework) and provides the groundwork for investigation of full physical LLU and line sharing LLU.

Two working groups will be convened as a result of Decision Notice 06/00: the LLU Operations Group and Methods of Access Group.

The LLU Operations Group will examine operational issues related to LLU. The initial objective of this group will be to develop and agree the necessary arrangements for bitstream LLU and will conduct exploratory work into the desirability and practicality of full physical LLU and line sharing LLU.

The Methods of Access Group will deal with issues regarding compatibility of networks (physical compatibility of connectors, cables and fibres and compatibility of the signals sent and received). The three main types of access method are co-location, virtual co-location and direct connection. Decision Notice 06/00 provides for all methods of access where a demand is demonstrated and where there are not clear and justifiable grounds for refusing any specific type of access.

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